



NEWS RELEASE

Contact: Karen Ager

603-228-2448

kager@endowmentforhealth.org

January 28, 2010

Endowment for Health Releases Financial Study of State's Community Mental Health Centers

The Endowment for Health, New Hampshire's largest health foundation, has released a new study that examines New Hampshire's system of Community Mental Health Centers. The report looks at such factors as revenues, expenses, operating margins and overall profitability for the ten centers.

"The research underscores the challenges facing New Hampshire's Community Mental Health Centers," says lead researcher, Nancy Kane, D.B.A, of the Harvard School of Public Health. "The centers are far from financially secure despite having made some progress over the past six years to improve their financial position. The data shows they have not accumulated the financial reserves to withstand major cuts in Medicaid, their primary source of revenue," Kane says.

"We underwrote this research as the third and final study to complete the picture of our state's health-care safety-net system," says Endowment for Health Program Director Jeanne Ryer, explaining that previous research focused on community health centers and hospitals. "This analysis will help stakeholders in understanding the financial position of New Hampshire's community mental health center system and its service providers. Policymakers need to understand the fragility of this system as they attempt to address state budget shortfalls," says Ryer.

Approximately 75 percent of combined Community Mental Health Center revenue comes from Medicaid, according to Roland Lamy, executive director of the NH Community Behavioral Health Association. "There is a heavy dependence on one funding stream and a lack of ability to cost shift or diversify revenue," says Lamy. "The Community Mental Health Centers do not have the ability to absorb reductions, particularly in Medicaid funding, without disruption to patient care. This comes at the same time we are seeing a rapid rise in demand for services – something that was not considered in the current state budget. Proposing reductions to offset this rapid rise in demand jeopardizes the centers' ability to continue to provide high-quality, community-based services," Lamy emphasizes.

"These centers are the backbone of our community-based infrastructure," says Endowment for Health Program Director Kim Firth. "The ten community mental health centers provide vital services to children and adults living with, and recovering from, mental illness and emotional disorders. Decreasing community-based capacity would likely result in higher cost inpatient and residential treatment, incarceration, and greater burden of illness."

Get the full report at: <http://tinyurl.com/va93nq3>

The Endowment for Health was established in 1999 and is the state's largest health foundation. Since 2001, the Endowment has awarded 700 grants totaling more than \$30 million to support a wide range of health-related programs and projects in New Hampshire. For more information, visit www.endowmentforhealth.org